



Investment Office

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December 12, 2005

AGENDA ITEM: 6

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Asset Allocation/Risk Management Annual Plan
- II. PROGRAM:** Asset Allocation/Risk Management
- III. RECOMMENDATION:** Approval of the Annual Plan

IV. ANALYSIS:

Attachment 1 contains the Asset Allocation/Risk Management Annual Plan for fiscal year 2005-2006. The report includes a review of the recent year's accomplishments, key priorities for the fiscal year, sample risk reports and a preview of commodities futures investing.

Staff will present the report and be available to answer any questions the Investment Committee may have.

V. STRATEGIC PLAN:

Staff's discussion of the Asset Allocation/Risk Management Annual Plan supports the Strategic Plan: Goal VIII, manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions and Goal IX, achieve long-term, sustainable, risk-adjusted returns.

VI. RESULTS/COST:

No costs are associated with this item.

Members of the Investment Committee

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